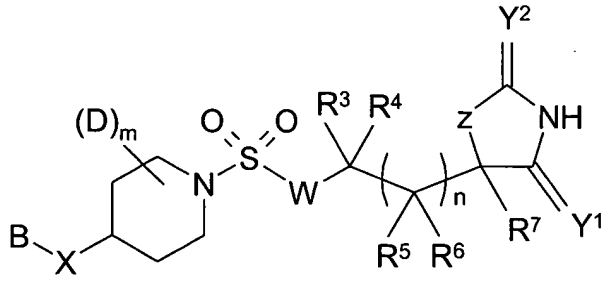
Amendments to the Claims:

This listing of claims replaces all prior versions and listings of claims in the application:

Listing of Claims:

1. (Currently amended) A compound of formula (1) or a pharmaceutically acceptable salt thereof:



formula (1)

wherein:

Y^1 and **Y^2** are independently O or S;

z is NR^8, O or S;

n is 0 or 1;

W is NR^1, CR^1R^2 or a bond;

m is 0 or 1;

D is hydrogen, C_{1-4}alkyl, C_{3-6}cycloalkyl or fluoro;

X is $-(CR^{12}R^{13})_t-Q-(CR^{14}R^{15})_u-$ where t and u are independently 0 or 1 and Q is O, S, SO or SO_2;

B is a group selected from aryl, heteroaryl and heterocyclyl, where each group is optionally substituted by one or more groups independently selected from nitro, trifluoromethyl, trifluoromethoxy, halo, cyano, C_{1-4}alkyl (optionally substituted by R^9 or C_{1-4}alkoxy or one or

more halo), C_{2-4}alkenyl (optionally substituted by halo or R^9), C_{2-4}alkynyl (optionally substituted by halo or R^9), C_{3-6}cycloalkyl (optionally substituted by R^9 or one or more halo), C_{5-6}cycloalkenyl (optionally substituted by halo or R^9), aryl (optionally substituted by halo or C_{1-4}alkyl), heteroaryl (optionally substituted by halo or C_{1-4}alkyl), heterocyclyl (optionally substituted by C_{1-4}alkyl), $-SR^{11}$, $-SOR^{11}$, $-SO_2R^{11}$, $-SO_2NR^9R^{10}$, $-NR^9SO_2R^{11}$, $-NHCONR^9R^{10}$, $-OR^9$, $-NR^9R^{10}$, $-CONR^9R^{10}$ and $-NR^9COR^{10}$; or B is C_{2-4}alkenyl or C_{2-4}alkynyl, each being optionally substituted by a group selected from C_{1-4}alkyl, C_{3-6}cycloalkyl, aryl, heteroaryl and heterocyclyl which group is optionally substituted by one or more halo, nitro, cyano, trifluoromethyl, trifluoromethoxy, $-CONHR^9$, $-CONR^9R^{10}$, $-SO_2R^{11}$, $-SO_2NR^9R^{10}$, $-NR^9SO_2R^{11}$, C_{1-4}alkyl or C_{1-4}alkoxy; with the provisos that:

when n is 1 and W is NR^1, CR^1R^2 or a bond; or when n is 0 and W is CR^1R^2; then B is a group selected from aryl, heteroaryl and heterocyclyl, where each group is optionally substituted by one or more groups independently selected from nitro, trifluoromethyl, trifluoromethoxy, halo, cyano, C_{1-4}alkyl (optionally substituted by R^9 or C_{1-4}alkoxy or one or more halo), C_{2-4}alkenyl (optionally substituted by halo or R^9), C_{2-4}alkynyl (optionally substituted by halo or R^9), C_{3-6}cycloalkyl (optionally substituted by R^9 or one or more halo), C_{5-6}cycloalkenyl (optionally substituted by halo or R^9), aryl (optionally substituted by halo or C_{1-4}alkyl), heteroaryl (optionally substituted by halo or C_{1-4}alkyl), heterocyclyl (optionally substituted by C_{1-4}alkyl), $-SR^{11}$, $-SOR^{11}$, $-SO_2R^{11}$, $-SO_2NR^9R^{10}$, $-NR^9SO_2R^{11}$, $-NHCONR^9R^{10}$, $-OR^9$, $-NR^9R^{10}$, $-CONR^9R^{10}$ and $-NR^9COR^{10}$; or B is C_{2-4}alkenyl or C_{2-4}alkynyl, each being optionally substituted by a group selected from C_{1-4}alkyl, C_{3-6}cycloalkyl, aryl, heteroaryl and heterocyclyl which group is optionally substituted by one or more halo, nitro, cyano, trifluoromethyl, trifluoromethoxy, $-CONHR^9$, $-CONR^9R^{10}$, $-SO_2R^{11}$, $-SO_2NR^9R^{10}$, $-NR^9SO_2R^{11}$, C_{1-4}alkyl or C_{1-4}alkoxy; and

when n is 0 and W is NR^1 or a bond; then B is a group selected from bicyclic aryl, bicyclic heteroaryl and bicyclic heterocyclyl, where each group is optionally substituted by one or more groups independently selected from nitro, trifluoromethyl, trifluoromethoxy, halo, cyano, C_{1-4}alkyl (optionally substituted by R^9 or C_{1-4}alkoxy or one or more halo), C_{2-4}alkenyl (optionally substituted by halo or R^9), C_{2-4}alkynyl (optionally substituted by halo or R^9), C_{3-6}cycloalkyl

(optionally substituted by R^9 or one or more halo), C_{5-6}cycloalkenyl (optionally substituted by halo or R^9), aryl (optionally substituted by halo or C_{1-4}alkyl), heteroaryl (optionally substituted by halo or C_{1-4}alkyl), heterocyclyl (optionally substituted by C_{1-4}alkyl), $-SR^{11}$, $-SOR^{11}$, $-SO_2R^{11}$, $-SO_2NR^9R^{10}$, $-NR^9SO_2R^{11}$, $-NHCONR^9R^{10}$, $-OR^9$, $-NR^9R^{10}$, $-CONR^9R^{10}$ and $-NR^9COR^{10}$; or B is C_{2-4}alkenyl or C_{2-4}alkynyl, each being optionally substituted by a group selected from C_{1-4}alkyl, C_{3-6}cycloalkyl, aryl, heteroaryl and heterocyclyl which group is optionally substituted by one or more halo, nitro, cyano, trifluoromethyl, trifluoromethoxy, $-CONHR^9$, $-CONR^9R^{10}$, $-SO_2R^{11}$, $-SO_2NR^9R^{10}$, $-NR^9SO_2R^{11}$, C_{1-4}alkyl or C_{1-4}alkoxy;

R^1 and **R^2** are independently hydrogen or a group selected from C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, C_{3-6}cycloalkyl and C_{5-6}cycloalkenyl which group may be optionally substituted by halo, cyano, hydroxy or C_{1-4}alkoxy;

R^3, **R^4**, **R^5** and **R^6** are independently hydrogen or a group selected from C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, C_{3-6}cycloalkyl, C_{5-6}cycloalkenyl, aryl, heteroaryl and heterocyclyl which group is optionally substituted by one or more substituents independently selected from halo, nitro, cyano, trifluoromethyl, trifluoromethyloxy, C_{1-4}alkyl, C_{2-4}alkenyl, C_{2-4}alkynyl, C_{3-6}cycloalkyl (optionally substituted by one or more R^{17}), aryl (optionally substituted by one or more R^{17}), heteroaryl (optionally substituted by one or more R^{17}), heterocyclyl, $-OR^{18}$, $-SR^{19}$, $-SOR^{19}$, $-SO_2R^{19}$, $-COR^{19}$, $-CO_2R^{18}$, $-CONR^{18}R^{20}$, $-NR^{16}COR^{18}$, $-SO_2NR^{18}R^{20}$ and $-NR^{16}SO_2R^{19}$;

or **R^1** and **R^3** together with the nitrogen or carbon atoms and carbon atom to which they are respectively attached form a saturated 3- to 7-membered ring optionally containing 1 or 2 heteroatom groups selected from NH, O, S, SO and SO_2 where the ring is optionally substituted on carbon by C_{1-4}alkyl, fluoro or C_{1-4}alkoxy and/or on nitrogen by $-COC_{1-3}$alkyl, $-SO_2C_{1-3}$alkyl or C_{1-4}alkyl;

or **R^3** and **R^4** together form a saturated 3- to 7-membered ring optionally containing 1 or 2 heteroatom groups selected from NH, O, S, SO and SO_2 where the ring is optionally substituted on carbon by C_{1-4}alkyl, fluoro or C_{1-4}alkoxy and/or on nitrogen by $-COC_{1-3}$alkyl, $-SO_2C_{1-3}$alkyl or C_{1-4}alkyl;

or $\mathbf{R^5}$ and $\mathbf{R^6}$ together form a saturated 3- to 7-membered ring optionally containing 1 or 2 heteroatom groups selected from NH, O, S, SO and SO_2 where the ring is optionally substituted on carbon by C_{1-4}alkyl, fluoro or C_{1-4}alkoxy and/or on nitrogen by $-COC_{1-3}$alkyl, $-SO_2C_{1-3}$alkyl or C_{1-4}alkyl;

$\mathbf{R^7}$ is hydrogen or a group selected from C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, heteroalkyl, C_{3-7}cycloalkyl, aryl, heteroaryl or heterocyclyl where the group is optionally substituted by halo, C_{1-4}alkyl, C_{1-4}alkoxy, C_{3-7}cycloalkyl, heterocyclyl, aryl, heteroaryl or heteroalkyl; and wherein the group from which R^7 may be selected is optionally substituted on the group and/or on its optional substituent by one or more substituents independently selected from halo, cyano, C_{1-4}alkyl, nitro, haloC_{1-4}alkyl, heteroalkyl, aryl, heteroaryl, hydroxyC_{1-4}alkyl, C_{3-7}cycloalkyl, heterocyclyl, C_{1-4}alkoxyC_{1-4}alkyl, haloC_{1-4}alkoxyC_{1-4}alkyl, $-COC_{1-4}$alkyl, $-OR^{21}$, $-CO_2R^{21}$, $-SR^{25}$, $-SOR^{25}$, $-SO_2R^{25}$, $-NR^{21}COR^{22}$, $-CONR^{21}R^{22}$ and $-NHCONR^{21}R^{22}$;

or $\mathbf{R^3}$ and $\mathbf{R^7}$ together with the carbon atoms to which they are each attached and $(CR^5R^6)_n$ form a saturated 5- to 7-membered ring optionally containing a heteroatom group selected from NH, O, S, SO and SO_2 where the ring is optionally substituted on carbon by C_{1-4}alkyl, fluoro or C_{1-4}alkoxy and/or on nitrogen by $-COC_{1-3}$alkyl, $-SO_2C_{1-3}$alkyl or C_{1-4}alkyl;

$\mathbf{R^8}$ is selected from hydrogen, C_{1-6}alkyl and haloC_{1-6}alkyl;

$\mathbf{R^9}$ and $\mathbf{R^{10}}$ are independently hydrogen, C_{1-6}alkyl or C_{3-6}cycloalkyl;

or $\mathbf{R^9}$ and $\mathbf{R^{10}}$ together with the nitrogen to which they are attached form a heterocyclic 4 to 7-membered ring.

$\mathbf{R^{11}}$ is C_{1-6}alkyl or C_{3-6}cycloalkyl;

$\mathbf{R^{12}}$, $\mathbf{R^{13}}$, $\mathbf{R^{14}}$ and $\mathbf{R^{15}}$ are independently selected from hydrogen, C_{1-6}alkyl and C_{3-6}cycloalkyl;

$\mathbf{R^{16}}$ is hydrogen or C_{1-6}alkyl;

$\mathbf{R^{17}}$ is selected from halo, C_{1-6}alkyl, C_{3-6}cycloalkyl and C_{1-6}alkoxy;

$\mathbf{R^{18}}$ is hydrogen or a group selected from C_{1-6}alkyl, C_{3-6}cycloalkyl, C_{5-7}cycloalkenyl, saturated heterocyclyl, aryl, heteroaryl, arylC_{1-4}alkyl and heteroarylC_{1-4}alkyl which group is optionally substituted by one or more halo;

$\mathbf{R^{19}}$ and $\mathbf{R^{25}}$ are independently a group selected from C_{1-6}alkyl, C_{3-6}cycloalkyl, C_{5-7}cycloalkenyl, saturated heterocyclyl, aryl, heteroaryl, arylC_{1-4}alkyl and heteroarylC_{1-4}alkyl which group is optionally substituted by one or more halo;

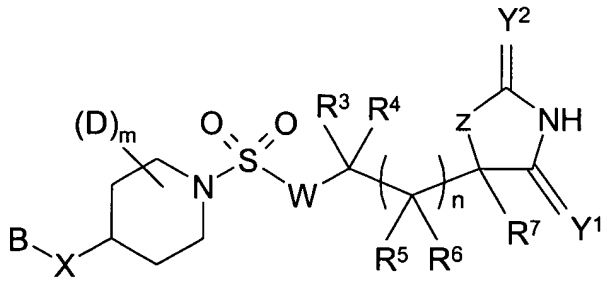
$\mathbf{R^{20}}$ is hydrogen, C_{1-6}alkyl or C_{3-6}cycloalkyl;

or $\mathbf{R^{18}}$ and $\mathbf{R^{20}}$ together with the nitrogen to which they are attached form a heterocyclic 4- to 7-membered ring;

$\mathbf{R^{21}}$ and $\mathbf{R^{22}}$ are independently hydrogen, C_{1-4}alkyl, haloC_{1-4}alkyl, aryl and arylC_{1-4}alkyl;

or $\mathbf{R^{21}}$ and $\mathbf{R^{22}}$ together with the nitrogen to which they are attached form a heterocyclic 5- to 6-membered ring.

2. (Currently amended) A compound of formula (1) or a pharmaceutically acceptable salt thereof:



wherein:

$\mathbf{Y^1}$ and $\mathbf{Y^2}$ are independently O or S;

z is NR^8, O or S;

n is 0;

W is NR^1;

m is 0 or 1;

D is hydrogen, C_{1-4}alkyl, C_{3-6}cycloalkyl or fluoro;

X is $-(CR^{12}R^{13})_t-Q-(CR^{14}R^{15})_u-$ where t and u are independently 0 or 1 and Q is O, S, SO or SO_2;

B is a group selected from aryl, heteroaryl and heterocyclyl, where each group is optionally substituted by one or more groups independently selected from nitro, trifluoromethyl,

trifluoromethoxy, halo, cyano, C_{1-4}alkyl (optionally substituted by R^9 or C_{1-4}alkoxy or one or more halo), C_{2-4}alkenyl (optionally substituted by halo or R^9), C_{2-4}alkynyl (optionally substituted by halo or R^9), C_{3-6}cycloalkyl (optionally substituted by R^9 or one or more halo), C_{5-6}cycloalkenyl (optionally substituted by halo or R^9), aryl (optionally substituted by halo or C_{1-4}alkyl), heteroaryl (optionally substituted by halo or C_{1-4}alkyl), heterocyclyl (optionally substituted by C_{1-4}alkyl), $-SR^{11}$, $-SOR^{11}$, $-SO_2R^{11}$, $-SO_2NR^9R^{10}$, $-NR^9SO_2R^{11}$, $-NHCONR^9R^{10}$, $-OR^9$, $-CONR^9R^{10}$ and $-NR^9COR^{10}$;

R^1 is hydrogen or a group selected from C_{1-6}alkyl, C_{2-6}alkenyl, C_{2-6}alkynyl, C_{3-6}cycloalkyl and C_{5-6}cycloalkenyl which group may be optionally substituted by halo, cyano, hydroxy or C_{1-4}alkoxy;

R^3 and **R^4** are independently hydrogen or a group selected from C_{1-4}alkyl, C_{2-4}alkenyl, C_{2-4}alkynyl, C_{3-5}cycloalkyl, pentenyl, aryl, heteroaryl and heterocyclyl which group is optionally substituted by one or more substituents independently selected from halo, nitro, cyano, trifluoromethyl, trifluoromethyloxy, C_{1-4}alkyl, C_{2-4}alkenyl, C_{2-4}alkynyl, C_{3-6}cycloalkyl (optionally substituted by one or more R^{17}), aryl (optionally substituted by one or more R^{17}), heteroaryl (optionally substituted by one or more R^{17}), heterocyclyl, $-OR^{18}$, $-SR^{19}$, $-SOR^{19}$, $-SO_2R^{19}$, $-CONR^{18}R^{20}$ and $-NR^{16}COR^{18}$;

or **R^1** and **R^3** together with the nitrogen and carbon atoms to which they are respectively attached form a saturated 3- to 7-membered ring optionally containing 1 or 2 heteroatom groups selected from NH, O, S, SO and SO_2 where the ring is optionally substituted on carbon by C_{1-4}alkyl, fluoro or C_{1-4}alkoxy and/or on nitrogen by $-COC_{1-3}$alkyl, $-SO_2C_{1-3}$alkyl or C_{1-4}alkyl;

or **R^3** and **R^4** together form a carbocyclic or saturated heterocyclic 3- to 7-membered ring optionally containing 1 or 2 heteroatom groups selected from NH, O, S, SO and SO_2 where the ring is optionally substituted on carbon by C_{1-4}alkyl, fluoro or C_{1-4}alkoxy and/or on nitrogen by $-COC_{1-3}$alkyl, $-SO_2C_{1-3}$alkyl or C_{1-4}alkyl;

R^7 is hydrogen or a group selected from C_{1-4}alkyl, heteroalkyl, C_{3-5}cycloalkyl, aryl, heteroaryl or heterocyclyl which group is optionally substituted by halo, C_{1-4}alkyl, C_{1-4}alkoxy, C_{3-5}cycloalkyl, heterocyclyl, aryl, heteroaryl or heteroalkyl; and wherein the group from which R^7 may be

selected is optionally substituted on the group and/or on its optional substituent by one or more substituents independently selected from halo, cyano, C_{1-4}alkyl, nitro, haloC_{1-4}alkyl, heteroalkyl, aryl, heteroaryl, hydroxyC_{1-4}alkyl, C_{3-5}cycloalkyl, heterocyclyl, C_{1-4}alkoxyC_{1-4}alkyl, haloC_{1-4}alkoxyC_{1-4}alkyl, -COC_{1-4}alkyl, $-OR^{21}$, $-CO_2R^{21}$, $-SR^{25}$, $-SOR^{25}$, $-SO_2R^{25}$, $-CONR^{21}R^{22}$ and $-NHCONR^{21}R^{22}$;

or $\mathbf{R^3}$ and $\mathbf{R^7}$ together with the carbon atoms to which they are each attached and $(CR^5R^6)_n$ form a saturated carbocyclic or heterocyclic 5- or 6-membered ring;

$\mathbf{R^8}$ is selected from hydrogen, C_{1-4}alkyl and haloC_{1-4}alkyl;

$\mathbf{R^9}$ and $\mathbf{R^{10}}$ are independently hydrogen, C_{1-6}alkyl or C_{3-6}cycloalkyl;

or $\mathbf{R^9}$ and $\mathbf{R^{10}}$ together with the nitrogen to which they are attached form a heterocyclic 4 to 6-membered ring.

$\mathbf{R^{11}}$ is C_{1-4}alkyl or C_{3-5}cycloalkyl;

$\mathbf{R^{12}}$, $\mathbf{R^{13}}$, $\mathbf{R^{14}}$ and $\mathbf{R^{15}}$ are independently selected from hydrogen, C_{1-4}alkyl and C_{3-4}cycloalkyl;

$\mathbf{R^{16}}$ is hydrogen or C_{1-4}alkyl;

$\mathbf{R^{17}}$ is selected from halo, C_{1-4}alkyl, C_{3-5}cycloalkyl and C_{1-4}alkoxy;

$\mathbf{R^{18}}$ is hydrogen or a group selected from C_{1-4}alkyl, C_{3-5}cycloalkyl, C_{5-6}cycloalkenyl, saturated heterocyclyl, aryl, heteroaryl, arylC_{1-4}alkyl and heteroarylC_{1-4}alkyl which group is optionally substituted by one or more halo;

$\mathbf{R^{19}}$ and $\mathbf{R^{25}}$ are independently a group selected from C_{1-4}alkyl, C_{3-5}cycloalkyl, C_{5-6}cycloalkenyl, saturated heterocyclyl, aryl, heteroaryl, arylC_{1-4}alkyl and heteroarylC_{1-4}alkyl which group is optionally substituted by one or more halo;

$\mathbf{R^{20}}$ is hydrogen, C_{1-4}alkyl or C_{3-5}cycloalkyl;

or $\mathbf{R^{18}}$ and $\mathbf{R^{20}}$ together with the nitrogen to which they are attached form a heterocyclic 4- to 6-membered ring;

$\mathbf{R^{21}}$ and $\mathbf{R^{22}}$ are independently hydrogen, C_{1-4}alkyl, haloC_{1-4}alkyl, aryl and arylC_{1-4}alkyl;

or $\mathbf{R^{21}}$ and $\mathbf{R^{22}}$ together with the nitrogen to which they are attached form a heterocyclic 5- to 6-membered ring.

3. (Currently amended) A compound according to claim 1 wherein B is phenyl, naphthyl, pyridyl, quinolinyl, isoquinolinyl, thienopyridyl, naphthyridinyl, 2,3-methylenedioxyphenyl, 3,4-methylenedioxyphenyl, thienopyrimidinyl, pyridoimidazolyl, benzimidazolyl, benzofuranyl, benzothienyl, indolyl, benzothiazolyl, benzotriazolyl, benzisoxazolyl, benzisothiazolyl, indazolyl, indolizinyl, isobenzofuranyl, quinazolinyl, imidazopyridinyl, pyrazolopyridinyl, indolinyl, tetrahydroquinolinyl, tetrahydroisoquinolinyl or isoindolinyl, where each is optionally substituted by one or more groups independently selected from nitro, trifluoromethyl, trifluoromethoxy, halo, C_{1-4}alkyl ~~(~~optionally substituted by one or more halo~~)~~, C_{2-4}alkynyl, heteroaryl, $-OR^9$, cyano, $-NR^9R^{10}$, $-CONR^9R^{10}$ and $-NR^9COR^{10}$; or B is vinyl or ethynyl optionally substituted by C_{1-4}alkyl.

4. (Currently amended) A compound according to claim 1 ~~or 2~~ wherein B is a group selected from bicyclic aryl, bicyclic heteroaryl and bicyclic heterocyclyl, where each group is optionally substituted by one or more groups independently selected from nitro, trifluoromethyl, trifluoromethoxy, halo, C_{1-4}alkyl ~~(~~optionally substituted by one or more halo~~)~~, C_{2-4}alkynyl, heteroaryl, $-OR^9$, cyano, $-NR^9R^{10}$, $-CONR^9R^{10}$ and $-NR^9COR^{10}$; or B is C_{2-4}alkenyl or C_{2-4}alkynyl optionally substituted by C_{1-4}alkyl, C_{3-6}cycloalkyl or heterocyclyl.

5. (Currently amended) A compound according to claim 1 ~~or 2~~ wherein B is 2-methylquinolin-4-yl.

6. (Currently amended) A compound according to ~~any one of the preceding claims~~ claim 1 wherein R^7 is hydrogen or a group selected from C_{1-4}alkyl, arylC_{1-4}alkyl, heteroarylC_{1-4}alkyl, heterocyclylC_{1-4}alkyl, aryl, heteroaryl, heterocyclyl and C_{3-5}cycloalkyl which group is optionally substituted by cyano, C_{1-4}alkyl, halo, $-OR^{21}$, $-NR^{21}R^{22}$, $-CO_2R^{21}$ and $-NR^{21}CO_2R^{22}$.

7. (Original) A compound according to claim 6 wherein R^7 is hydrogen or C_{1-4}alkyl optionally substituted with halo, hydroxy or C_{1-3}alkoxy.

8. (Currently amended) A pharmaceutical composition comprising a compound according to claim 1 ~~or claim 2~~; and a pharmaceutically-acceptable diluent or carrier.

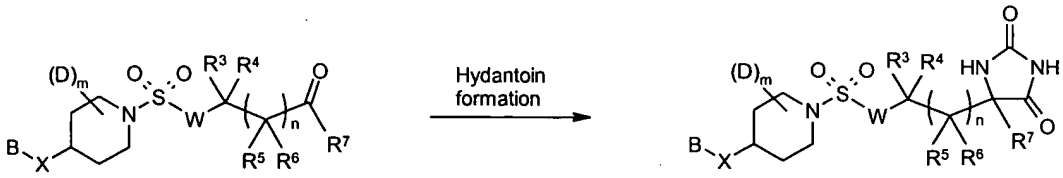
9. (Cancelled)

10. (Currently amended) A method of treating ~~The use of a compound according to claim 1 or 2 in the manufacture of a medicament in the treatment of~~ a disease condition mediated by TNF-α comprising administering to an animal an effective amount of a compound of claim 1.

11. (Cancelled)

12. (Currently amended) A method of treating autoimmune disease, allergic/atopic diseases, transplant rejection, graft versus host disease, cardiovascular disease, reperfusion injury and malignancy ~~in a warm-blooded animal, such as man, in need of such treatment~~ which comprises administering ~~to said animal an effective amount of~~ a compound according to claim 1 ~~or 2~~.

13. (Currently amended) A process for preparing a compound according to claim 1 ~~or 2~~, comprising the steps of converting a ketone or aldehyde of formula (2) into a compound of formula (1);



formula (2) formula (1)

and thereafter if necessary:

i) converting a compound of formula (1) into another compound of formula (1);

ii) removing any protecting groups;

iii) forming a pharmaceutically acceptable salt or *in vivo* hydrolysable ester.